

FISCAL NOTE/CAPTION BILL

SB 2796 - HB 2524

February 12, 2000

CAPTION BILL: Fiscal Note reflects amendments filed to lift bill from Senate Clerk's desk (010446) and lift bill from House Clerk's desk (010446). The amendments are the same.

SUMMARY OF BILL: Provides that after July 1, 2000, no residential telephone customer shall be billed or otherwise charged a fee for the use of directory assistance. This shall apply to all companies or entities providing telephone service in this state as public utilities, including but not limited to, telephone companies regulated by the Tennessee Regulatory Authority.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Exceeds \$600,000

Decrease Local Govt. Revenues - Exceeds \$200,000

Estimate assumes a loss of state and local sales tax revenues. Based on industry statistics, the amount of revenues collected by telephone companies in Tennessee from directory assistance is estimated to exceed \$10,000,000. Sales taxes are currently collected on such revenues by the state at a rate of 6% and by local governments at a rate of 2.25%. Rates charged for directory assistance vary by service provider, as does the number of directory assistance calls that can be made before a charge is levied. Rates charged ranged from \$.29 up to \$1.40 depending on the service provider and the type of assistance provided.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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